

## **Baketime Limited**

Report and Financial Statements

Year Ended

30 June 2016

Company Number 07300779

FRIDAY



A43

\*A63CCF5K\*

31/03/2017

COMPANIES HOUSE

#288

# Baketime Limited

## Company Information

---

<b>Directors</b>	N M I Abdoola A Heeralal S A Moosa
<b>Registered number</b>	07300779
<b>Registered office</b>	Unit 1, Imperial Food Park, Imperial Avenue, South Bank, Middlesbrough, TS6 6BA
<b>Independent auditors</b>	BDO LLP 1 Bridgewater Place Water Lane Leeds LS11 5RU

# Baketime Limited

## Contents

---

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 26

# **Baketime Limited**

## **Strategic Report For the Year Ended 30 June 2016**

---

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2016.

### **Principal activities and business review**

The principal activities of Baketime Limited are the manufacturing, marketing and sales of baked snacks, both savoury and sweet biscuits. Trading this year has been disrupted firstly through an oven fire and then a product recall towards the end of the year. The company has negotiated substantial insurance claims in respect of both incidents. Whilst operationally the company has returned to production, trade remains difficult during the early part of 2017 as a result of the disruption. Baketime Limited's financial requirements are supported by the ultimate holding company, The Lion Match Company (Pty) Limited.

### **Results and dividends**

The company's loss for the financial period amounted to £557,097 2015 - £888,548). The directors have not recommended a dividend (2015 - £nil).

### **Key financial performance indicators**

The directors are focused on the financial performance of the business and use gross profit and net profit margin as key performance indicators. These indicators will guide the directors to take corrective decisions at specific times to manage the business efficiently and effectively to achieve its objectives.

# Baketime Limited

## Strategic Report (continued) For the Year Ended 30 June 2016

---

### Principal risks and uncertainties

#### *Business risk*

The current market is a tough trading environment; however we continue to develop products in line with customer briefs under our 'Baked is better for you' concept in the strong belief that this will stand us in good stead. While Baketime Limited remains reliant on The Lion Match Company (Pty) Limited, it has received their full support going forward.

#### *Financial risk management objectives and policies*

The company uses various financial instruments which include inter-company loans, cash and various items such as trade debtors and trade creditors which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the company to a number of financial risks, principally interest rate risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below. The Lion Match Company (Pty) Limited has subordinated its loans to Baketime Limited and extended payment terms over the next 12 months. The Lion Match Company (Pty) Limited has also issued a letter of support to BakeTime Limited.


#### *Credit risk*

In order to manage credit risk, the directors set credit limits for customers based on third party credit references. Credit limits are reviewed by the Finance Controller on a regular basis in conjunction with debt ageing and collection history.

#### *Interest risk*

The Statement of Financial Position includes inter-company loans, trade debtors and creditors which do not attract interest if they are repayable on demand. Interest is charged on intercompany balances where repayment is in greater than one year, in line with the relevant agreements

This report was approved by the board on 21<sup>st</sup> FEBRUARY 2017 and signed on its behalf.



**N M I Abdoola**  
Director

# **Baketime Limited**

## **Directors' Report For the Year Ended 30 June 2016**

---

The directors present their report and the financial statements for the year ended 30 June 2016.

### **Matters dealt with in the Strategic Report**

Details of the review of business and likely future developments of the company are shown in the Strategic Report on page 1.

### **Results and dividends**

The results and dividends for the year can be found on page 1 of the Strategic Report.

### **Directors**

The directors who served during the year were:

N M I Abdoola  
A Heeralal  
S A Moosa

### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company The Lion Match Company (Pty) Limited. The directors have received confirmation that The Lion Match Company (Pty) Limited intend to support the company for at least one period after these financial statements are signed.

### **Directors' Indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the previous financial periods and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Future developments**

Details of the review of business and likely future developments of the company are included in the strategic report on page 1.

### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Post balance sheet events**

There have been no significant events affecting the company since the year end.

# Baketime Limited

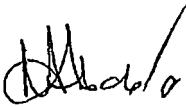
## Directors' Report For the Year Ended 30 June 2016

---

### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21st February 2017 and signed on its behalf.



**N M I Abdoola**  
Director

# **Baketime Limited**

## **Directors' Responsibilities Statement For the Year Ended 30 June 2016**

---

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Baketime Limited**

## **Independent Auditor's report to the members of Baketime Limited**

---

We have audited the financial statements of Baketime Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Baketime Limited

## Independent Auditor's report to the members of Baketime Limited

---

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the company's financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

BDO LLP

**Linda Cooper** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Leeds  
United Kingdom

30 MARCH 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Baketime Limited

## Statement of Comprehensive Income For the Year Ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	5,451,338	8,023,491
Cost of sales		(3,992,633)	(6,237,084)
<b>Gross profit</b>		<b>1,458,705</b>	<b>1,786,407</b>
Distribution costs		(315,603)	(414,057)
Administrative expenses		(1,775,644)	(2,084,703)
Impairment of tangible fixed assets		(148,878)	-
Insurance settlement and costs	5	433,191	-
<b>Operating loss on ordinary activities</b>	6	<b>(348,229)</b>	<b>(712,353)</b>
Interest receivable and similar income		-	1,565
Interest payable and similar charges	9	(208,868)	(177,760)
<b>Loss before tax on ordinary activities</b>		<b>(557,097)</b>	<b>(888,548)</b>
Tax on loss on ordinary activities	10	-	-
<b>Loss for the year on ordinary activities</b>		<b>(557,097)</b>	<b>(888,548)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(557,097)</b>	<b>(888,548)</b>

The notes on pages 11 to 26 form part of these financial statements.

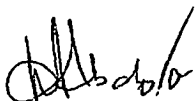
**Baketime Limited**  
Registered number:07300779

**Statement of Financial Position**  
**As at 30 June 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	1,441,664	1,898,415
<b>Current assets</b>			
Stocks	12	248,322	664,336
Debtors: amounts falling due within one year	13	1,417,857	1,149,951
Cash at bank and in hand		199,992	238,949
		<u>1,866,171</u>	<u>2,053,236</u>
Creditors: amounts falling due within one year	14	(2,061,240)	(2,657,530)
<b>Net current liabilities</b>		<u>(195,069)</u>	<u>(604,294)</u>
<b>Total assets less current liabilities</b>		<u>1,246,595</u>	<u>1,294,121</u>
Creditors: amounts falling due after more than one year	15	(6,389,531)	(5,879,960)
<b>Net liabilities</b>		<u><u>(5,142,936)</u></u>	<u><u>(4,585,839)</u></u>
<b>Capital and reserves/(deficit)</b>			
Called up share capital	16	1,975	1,975
Share premium account	17	974,025	974,025
Profit and loss account	17	(6,118,936)	(5,561,839)
		<u><u>(5,142,936)</u></u>	<u><u>(4,585,839)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28th February 2017.



**N M I Abdoola**  
Director

The notes on pages 11 to 26 form part of these financial statements.

# Baketime Limited

## Statement of Changes in Equity For the Year Ended 30 June 2016

	Share capital £	Share premium £	Retained deficit £	Total equity £
At 1 July 2015	1,975	974,025	(5,561,839)	(4,585,839)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(557,097)	(557,097)
<b>Other comprehensive loss for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(557,097)	(557,097)
<b>At 30 June 2016</b>	<b>1,975</b>	<b>974,025</b>	<b>(6,118,936)</b>	<b>(5,142,936)</b>

## Statement of Changes in Equity For the Year Ended 30 June 2015

	Share capital £	Share premium £	Retained deficit £	Total equity £
At 1 July 2014	1,975	974,025	(4,673,291)	(3,697,291)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(888,548)	(888,548)
<b>Other comprehensive loss for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(888,548)	(888,548)
<b>At 30 June 2015</b>	<b>1,975</b>	<b>974,025</b>	<b>(5,561,839)</b>	<b>(4,585,839)</b>

The notes on pages 11 to 26 form part of these financial statements.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

---

### 1. General information

Baketime Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is the manufacturing, marketing and sales of baked snacks, both savoury and sweet biscuits. Baketime Limited's financial requirements are supported by the ultimate holding company, The Lion Match Company (Pty) Limited.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22. The date of transition was 1 July 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of LMC Baketime Holdings Limited as at 30 June 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 2.3 Going concern

The company made a loss after taxation of £557,097 in the year and had net liabilities of £5,142,936 at 30 June 2016.

The directors' believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of The Lion Match Company (Pty) Limited, an intermediate parent company. The directors have received confirmation that The Lion Match Company (Pty) Limited intends to support the company for a period of at least one year after the date of signing these financial statements, subject to the South African Reserve Bank approval.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

---

### 2. Accounting policies (continued)

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10% to 25%
Motor vehicles	- 25%
Fixtures and fittings	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

#### 2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

---

### 2. Accounting policies (continued)

#### 2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### 2.8 Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Raw materials and goods for resale	-	Purchase cost on a first in, first out basis
Work-in-progress and finished goods	-	Cost of direct materials and labour

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

---

### 2. Accounting policies (continued)

#### 2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# **Baketime Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2016**

---

### **2. Accounting policies (continued)**

#### **2.13 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

#### **2.14 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.15 Pensions**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

#### **2.16 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

---

### 2. Accounting policies (continued)

#### 2.17 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- The directors have used the latest information available from the insurance company when estimating the amounts to be received and settled. There is inherent judgment involved until the final settlement is reached. At 30 June 2016, the company had ongoing insurance claims relating to loss of profits, contamination claim and damage caused by fire.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Going concern

- The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of The Lion Match Company (Pty) Limited, an intermediate parent company. The directors have received confirmation that The Lion Match Company (Pty) Limited intends to support the company for a period of at least one year after the date of signing these financial statements, subject to the South African Reserve Bank approval.

Valuation of plant and machinery

- The plant and machinery valuation has been completed in accordance with RICS Valuation Professional Standards January 2014 Guidelines by Sanderson Weatherall. The main assumption is that the machinery would be transferred as part of a going concern. There is an inevitable degree of judgment involved which can only be tested in the market itself.

### 4. Turnover

Analysis by geographical market:

	2016 £	2015 £
United Kingdom	4,926,291	7,280,278
Rest of the world	525,047	743,213
	<u>5,451,338</u>	<u>8,023,491</u>

Turnover is wholly attributable to the principal activity of the company. The company has also accrued a settlement relating to contamination of factory and loss of profits arising from the enforced closure.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 5. Insurance settlement and costs

	2016 £	2015 £
Insurance income	1,198,620	-
Costs associated to insurance claim	(765,429)	-
	<u>433,191</u>	<u>-</u>

The company has estimated an insurance claim settlement following a fire resulting in damage to the factory. The company has also accrued a settlement relating to the contamination of the factory and the associated loss of profits from the factory closure. The costs associated with the claim include stock written off, stock returned from customers and unproductive time.

### 6. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	338,797	308,392
Loss on disposal of tangible fixed assets	83	818
Hire of other assets - operating leases	98,867	92,250
Exchange differences	23,244	40,190
Defined contribution pension cost	<u>8,257</u>	<u>11,064</u>

Management have assessed the treatment of sales delivery costs of £414,057 in the year to 30 June 2015, treated previously as administrative expenses. The directors consider that they should be show as distribution cost and have amended the financial statements accordingly.

There is no effect on profit for the year ended 30 June 2015 or net assets at 30 June 2015 as a result of this restatement.

### 7. Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>11,200</u>	<u>9,700</u>

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 8. Employees

Staff costs (including directors) were as follows:

	2016 £	2015 £
Wages and salaries	1,711,919	2,668,072
Social security costs	94,752	159,540
Other pension costs	8,257	11,064
	<u>1,814,928</u>	<u>2,838,676</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Direct (mixing, process, bagging, packing and hygiene)	127	192
Maintenance	9	10
Quality Assurance and New Product development	6	8
Sales	1	1
Administration and Human Resources	11	11
	<u>154</u>	<u>222</u>

### 9. Interest payable and similar charges

	2016 £	2015 £
Bank loans and overdrafts	19,297	7,549
Loans from group undertakings	189,571	170,211
	<u>208,868</u>	<u>177,760</u>

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 10. Taxation

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	(557,097)	(888,548)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	(111,419)	(184,374)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	35,095	37,393
Deferred tax not recognised	(10,425)	127,617
Change in tax rates	78,910	4,786
Group relief	7,839	14,578
<b>Total tax charge for the year</b>	-	-

A deferred tax asset of £710,000 (2015 - £716,000) has not been recognised, as insufficient future taxable profits can be foreseen to support its recognition. This balance relates to trading and non-trading losses carried forward.

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 11. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 July 2015	2,707,263	24,436	434,475	3,166,174
Additions	30,119	7,397	7,697	45,213
Disposals	(14,399)	-	-	(14,399)
At 30 June 2016	<u>2,722,983</u>	<u>31,833</u>	<u>442,172</u>	<u>3,196,988</u>
<b>Depreciation</b>				
At 1 July 2015	987,700	8,619	271,440	1,267,759
Charge owned for the period	248,761	6,477	83,559	338,797
Disposals	(110)	-	-	(110)
Impairment charge (see below)	136,632	-	12,246	148,878
At 30 June 2016	<u>1,372,983</u>	<u>15,096</u>	<u>367,245</u>	<u>1,755,324</u>
<b>Net book value</b>				
At 30 June 2016	<u>1,350,000</u>	<u>16,737</u>	<u>74,927</u>	<u>1,441,664</u>
At 30 June 2015	<u>1,719,563</u>	<u>15,817</u>	<u>163,035</u>	<u>1,898,415</u>

Based on the ongoing uncertainty relating to the insurance claim, management have had the plant and machinery and office equipment valued externally by Sanderson Weatherall at 30 June 2016. The judgments and estimates are discussed further in note 3.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 12. Stocks

	2016 £	2015 £
Raw materials and consumables	242,961	389,987
Work in progress	-	3,794
Finished goods and goods for resale	5,361	270,555
	<u>248,322</u>	<u>664,336</u>

Stock recognised in cost of sales during the year as an expense was £2,318,528 (2015 - £3,640,299).

An impairment loss of £153,453 (2015 - £238,465) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

In addition, a further £379,563 of stock has been written off as a result of the insurance claim (note 5).

There is no material difference between the replacement cost of stocks and the amounts stated above.

### 13. Debtors

	2016 £	2015 £
Trade debtors	151,742	865,044
Other debtors	1,106,499	150,924
Prepayments and accrued income	159,616	133,983
	<u>1,417,857</u>	<u>1,149,951</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the company profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2015 - £54,647).

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts (secured)	-	259,269
Trade creditors	211,443	486,818
Amounts owed to group undertakings	1,352,677	1,235,029
Taxation and social security	60,616	32,305
Other creditors	225,000	320,722
Accruals and deferred income	211,504	323,387
	<u>2,061,240</u>	<u>2,657,530</u>

Bank overdrafts were secured by a charge over assets of the company.

Intercompany loans are secured against the assets of the company by a debenture. The interest rate charged is LIBOR + 3%.

### 15. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>6,389,531</u>	<u>5,879,960</u>

During the year the directors have re-assessed the term of the company inter-company balances and reclassified these to reflect the underlying agreement that they are repayable on demand. There is no effect on group creditors.

### 16. Share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
1,975 Ordinary shares of £1 each	<u>1,975</u>	<u>1,975</u>

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

---

### 17. Reserves

The Company's capital and reserves/(deficit) are as follows:

#### Share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

#### Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

### 18. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £8,257 (2015 - £11,064). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 19. Commitments under operating leases

At 30 June 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Within one year	15,686	22,300
In two to five years	13,750	28,750
<b>Total</b>	<b>29,436</b>	<b>51,050</b>

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 20. Related party transactions

	Purchases 2016 £	Balance owed to related parties 2016 £	Interest charged 2016 £
Time Properties Limited	84,000	1,352,677	-
The Lion Match Company (Pty) Limited	20,000	-	-
LMC Baketime Holdings Limited	-	6,389,531	189,571

Included within other creditors, a loan of £Nil (2015 - £305,000) was outstanding from Mount Stewart Properties Limited a related party to NMI Abdoola who is a director of both companies.

A loan of £225,000 (2015 - £Nil) was outstanding from Imperial Property Developments, NMI Abdoola is director in common.

### 21. Ultimate parent company and parent undertaking of larger group

The immediate parent undertaking is LMC Baketime Holdings Limited, a company registered in England and Wales. The ultimate parent undertaking is Fasic Investment Corporation Limited, a company registered in South Africa.

The largest group in which the results of the company are consolidated is that headed by Fasic Investment Corporation Limited, incorporated in South Africa. The smallest group in which they are consolidated is that headed by LMC Baketime Holdings Limited, incorporated in England and Wales. These consolidated accounts are available to the public and may be obtained from Companies House, Cardiff.

Shares are owed by F.A.N.G Bros Trust, GM Moosa Family Trust, S A Moosa Family Trust and S M Moosa Family Trust. There is deemed to be no one ultimate controlling party.

# Baketime Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 22. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2014. The impact of the transition to FRS 102 is as follows:

#### Reconciliation of equity at 30 June 2015

	£
Shareholders' deficit at 30 June 2015 under previous UK GAAP	(4,415,628)
Interest on group loan (note 1)	(170,211)
<b>Shareholders' deficit at 30 June 2015 under FRS 102</b>	<b>(4,585,839)</b>

#### Reconciliation of profit and loss account for the year ended 30 June 2015

	£
(Loss) for the year under UK GAAP	(718,337)
Interest on group loan (note 1)	(170,211)
<b>Loss for the year ended 30 June 2015 under FRS 102</b>	<b>(888,548)</b>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Under FRS 102 any intercompany loans with repayment terms of greater than 12 months should have the market rate of interest applied. Management have considered this to be LIBOR + 3% based on evidence provided by external parties. This has led to an interest charge of £170,211 being included in the financial statements.